



FISCAL MEMORANDUM

HB 48 - SB 87

February 20, 2023

SUMMARY OF BILL AS AMENDED (004282): Caps at 20 the number of members that may be elected to the governing body of a metropolitan or municipal government following the next general election for the governing body and applies the same cap to any metropolitan or municipal government formed after the effective date of the act. Requires such governing bodies to: (1) reapportion districts, as necessary, so that the number of members does not exceed 20 voting members and (2) ensure that a reapportionment maintains substantially equal representation based on population and complies with state and federal law.

Requires metropolitan governing body members to have four-year terms and for the first election to be held on the first Thursday of August of 2024, with council members assuming office on September 1 following the day of the election. Provides that if the metropolitan governing body is required to reduce the number of members in accordance with the cap, then: (1) council members elected on the first Thursday in August of 2024 will have three-year terms and thereafter, will serve four-year terms and (2) the terms of council members in office on the effective date of this act are extended until the member's successor takes office.

Authorizes a newly formed metropolitan government to provide for the initial election of council members on a date other than the first Thursday of August of 2024, as long as the initial terms do not exceed four years and expire on August 31, after the next subsequent general election held in accordance with this legislation.

Provides that the provisions are not applicable to a metropolitan government in existence prior to the effective date of this act, unless it is approved by a majority of qualified voters in an election on the question of whether or not the act should be approved. Requires the question to be on the ballot in the next general election following the effective date of this act and the cost of the election to be paid by the metropolitan government.

FISCAL IMPACT OF BILL AS AMENDED:

Increase Local Expenditures - \$2,500/FY24-25*

Other Fiscal Impact – The fiscal impact of the proposed legislation is dependent on a majority of voters in Davidson County approving the act. Upon such approval, there would be a decrease in local expenditures to Nashville-Davidson County of \$509,840 annually. The extent and timing of any permissive increase

in local expenditures relative to raising councilmember salaries cannot be reasonably forecasted.

Assumptions for the bill as amended:

- There are three metropolitan governments in Tennessee:
 - Hartsville-Trousdale County, 20 commissioners;
 - Lynchburg-Moore County, 15 metro councilmembers; and
 - Nashville-Davidson County (Metro), 40 metro councilmembers.
- The proposed legislation therefore only currently applies to Metro, as its governing body exceeds the 20-member cap but will apply to any metropolitan governments formed in the future.
- There are no known municipal governing bodies with more than 20 members, so prohibiting municipalities from exceeding such cap will not result in any fiscal impact to local government.
- Prohibiting metropolitan and municipal governments formed after the effective date of this act from exceeding the 20-member cap will result in no fiscal impact to local government.
- The proposed legislation requires approval of the majority of voters in Metro's next general election following the effective date of the act. The date of this election would be August 1, 2024. Metro would be required to put on the ballot the question of whether or not the act should be approved and pay the cost of the election.
- Since the question on the ballot would be in conjunction with a regularly-scheduled election, the only additional expenditure would be for the required newspaper notice. It is estimated that there will be a one-time increase to local expenditures of \$2,500 in FY24-25.
- Subsequent fiscal impacts would be dependent on the outcome of the question on the ballot, which cannot be forecasted. For the purpose of the analysis below, it is assumed that a majority of voters would approve the act.
- The 20-member cap would be effective following approval of the majority of voters in Metro's general election held on August 1, 2024. Metro councilmembers would be elected to a three-year term and thereafter serve four-year terms upon election.
- Metro is required to dissolve, combine, or reapportion districts or wards, as necessary, so that the number of councilmembers does not exceed 20 voting members and to ensure, using the most recent federal census, that a reapportionment maintains substantially equal representation based on population.
- Metro Planning will be able to redistrict utilizing existing staff and resources, resulting in no fiscal impact to local government.
- Metro councilmember salary is currently \$23,100 and will increase to \$25,492, beginning September of 2023.
- The estimated decrease in local expenditures due to capping the Metro Council at 20 members \$509,840 (\$25,492 x 20 members) annually.
- According to Metro, salaries for councilmembers may be increased to correspond with the larger reapportioned districts and increased workloads; the extent and timing of any permissive increase to local expenditures relative to raising councilmember salaries cannot be reasonably determined.

- Councilmember salaries may be changed by the Metro Council and established as part of the general pay plan; any action by the council will take place at a regularly scheduled meeting of the Metro Council.
- Assuming a majority of voters approve the act, the estimated decrease in local expenditures would \$509,840 annually after the effective date of the voter action.

**Article II, Section 24 of the Tennessee Constitution provides that: no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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